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NPIC/TSSG/DED-1380-68
27 September 1968

MEMORANDUM FOR: Chief, Technical Services & Support Group

SUBJECT : Time and Materials Contract with [REDACTED]

1. The Development & Engineering Division is well aware of the problems with [REDACTED] and was directly involved in the problems involved in the last negotiation between [REDACTED] and OL/PD for 940 light tables. These problems relate to lack of proper accounting procedures and [REDACTED] inability to accurately define and track costs. Our problems have related to late deliveries and slow response. Both of these factors were considered at the time of our recommendation. Frankly, they are not germane to this particular contract for the following reasons: This is a Time and Materials contract and relates strictly to [REDACTED] machine shop. Our experience with the machine shop has been quite good since [REDACTED] normally has excess capacity in this area and gives very quick response. The time delays and poor deliveries on their R&D contracts resulted from a lack of engineering personnel at [REDACTED] and not from machine shop or production problems. Also, in this case we do not have the same contractual problems. Because of the Time and Material nature of the contract, they can only charge direct labor and the cost of parts, raw stocks, etc.

2. It is highly desirable that this contract be let with [REDACTED] since a good portion of the Machine Shop work and fast-response items that we utilize this contract to produce are directly related to [REDACTED]-produced or [REDACTED]-related equipment.

[REDACTED]
Deputy Chief,
Development & Engineering Division, TSSG

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Declass Review by NGA.

NPIC/TSSG/DED/[REDACTED] (27 Sep 68)

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